



SANFORD SCHOOL DEPARTMENT

Harvard Pilgrim Health Insurance Review

Wednesday, January 25, 2023



Acadia
BENEFITS INC.



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Overview of Harvard Pilgrim Health Plan & Renewal History



Sanford Schools' Health Insurance Plans

Health Insurance Background

- Teacher, Ed Techs, Administrative Assistants, and Food Service Workers are eligible for the health plans with Harvard Pilgrim Health Care.
- Prior to July 2012, this group participated in the MSMA plans with Aetna.
- Sanford Schools decided to move this group into their own plan with Harvard Pilgrim as of 7/1/2012, and the MSMA association plan was discontinued.
- This is one of the only groups, if not the only group in Maine not participating in the Anthem plans through MEA Benefits Trust.
- Sanford Schools initially offered 2 HMO's, a Point of Service (POS) plan, and a PPO plan.
- The POS plan provides a broader, nationwide network, than the HMO's
- The PPO plan was intended to replace MSMA's lower cost, high-deductible plan, used by a few retirees. The plan was under-priced by Harvard Pilgrim and so was made available to only those who reside outside of the HMO service area of Maine, NH, and Massachusetts (and part of RI).



Sanford Schools' Health Insurance Plans

Health Insurance Background (continued)

- For July 2017, several plan changes were made:
 - HMO #1 plan was terminated and HMO #2 became the new “high” plan
 - HMO #3 was added as the “low” HMO
 - The deductible on the POS plan was increased to \$1,000
 - A Health Reimbursement Arrangement (HRA) was introduced and paired with HMO #3 and the POS plan.
 - The HRA provides \$500 annually for those enrolled as an individual and \$1,000 for those also enrolling family members. At the time, the HRA could reimburse deductibles, copays, coinsurance and other out of pocket medical, dental, and vision expenses.
 - 50% of unused expenses, capped at \$1,000/\$2,000, could be rolled to the subsequent year.
- For July 2020, a new HMO plan with a \$2,500 deductible was added to provide a lower cost option.
- For July 2021, a few additional changes were made:
 - The HRA was changed to only reimburse medical deductibles and coinsurance, and out of pocket dental expenses.
 - **100%** of unused HRA expenses, capped at \$1,000/\$2,000, can now be rolled to the subsequent year.



Sanford Schools' Health Insurance Plans

Health Insurance Renewal

- The Harvard Pilgrim health insurance plans renew each July 1st.
- Harvard Pilgrim releases the renewal the 3rd-4th week of February, the earliest they will provide it.
- The Harvard Pilgrim renewal premium is driven by the claims incurred by Sanford School plan participants.
 - Only the 1st \$125,000 of a large claim is included in the renewal calculation, although the premium does include a pooling charge to account for limiting the impact of large claims on the renewal premium.
 - HP has been using trend of around 9% in projecting potential claims
 - Monthly claim reports are reviewed each month to track how claims are running
 - The target loss ratio is around 91%
- For the last few years, HP has offered a contingent premium agreement.
 - If the loss ratio for the plan year is less than a designated %, then a portion of the premium will be refunded to Sanford Schools.
 - Sanford finished “in the money” for 2019-2020, but no refund for 2020-2021.
 - It’s likely Sanford will finish “in the money” for 2021-2022, with settlement next month. The projected refund is approximately \$350k. Sanford Schools will need to renew with HP in order to receive the refund.



Sanford Schools' Health Insurance Claims

Health Insurance Claims

| <u>Harvard</u> | <u>Premium</u> | <u>Incurred Claims</u> | <u>Loss Ratio</u> | <u>Subscribers</u> |
|--------------------------------|--------------------|------------------------|-------------------|--------------------|
| Jul-21 | \$692,198 | \$393,602 | 56.9% | 374 |
| Aug-21 | \$693,057 | \$541,882 | 78.2% | 374 |
| Sep-21 | \$736,630 | \$457,827 | 62.2% | 403 |
| Oct-21 | \$743,067 | \$450,147 | 60.6% | 405 |
| Nov-21 | \$741,017 | \$460,214 | 62.1% | 407 |
| Dec-21 | \$741,507 | \$518,035 | 69.9% | 407 |
| Jan-22 | \$736,740 | \$532,951 | 72.3% | 405 |
| Feb-22 | \$738,845 | \$525,026 | 71.1% | 406 |
| Mar-22 | \$738,177 | \$890,598 | 120.6% | 406 |
| Apr-22 | \$736,027 | \$489,032 | 66.4% | 404 |
| May-22 | \$735,700 | \$434,524 | 59.1% | 405 |
| Jun-22 | \$734,473 | \$706,173 | 96.1% | 404 |
| 07/21 - 06/22 YTD Total | \$8,767,438 | \$6,400,011 | 73.0% | 400.0 |
| Jul-22 | \$706,731 | \$519,068 | 73.4% | 402 |
| Aug-22 | \$703,841 | \$731,299 | 103.9% | 401 |
| Sep-22 | \$721,540 | \$588,721 | 81.6% | 414 |
| Oct-22 | \$724,412 | \$517,597 | 71.5% | 413 |
| 7/22 - 6/23 YTD Total | \$2,856,524 | \$2,356,685 | 82.5% | 405.7 |
| Most recent 12 months | \$8,759,010 | \$6,913,238 | 78.9% | 406.2 |



Sanford Schools' Retiree Health Insurance

Retiree Health Insurance

- With the move from MSMA in 2012, retirees were moved with the active employees.
- Retirees not Medicare-eligible were mapped to similar plans with Harvard Pilgrim from Aetna.
- Retirees Medicare-eligible and enrolled on the Aetna Group Medicare Advantage plans were simply moved from a plan sponsored by MSMA to one sponsored by the Sanford School Department.
- There have been minimal plan changes with the Aetna Group Medicare-Advantage plans since the move from MSMA in 2012.
- The Aetna Group Medicare-Advantage plans renew January 1, as required by CMS.
- The Aetna team supporting the State of Maine retirees also support the Sanford School Department retirees
- Both Harvard Pilgrim and Aetna bill MainePERS for the retiree's portion of their premium, and bill the State for the 55% match, if applicable.



Current Harvard Pilgrim Plans

| | HMO #2 MD20157 | HMO #3 MD19109 | HMO#4 MD19584 | POS MD18191 | PPO* MD18136 |
|--|---------------------|----------------------|----------------------|----------------------|---------------------|
| Deductible | N/A | \$1,000/ \$2,000 | \$2,500/ \$5,000 | \$1,000/ \$2,000 | \$1,000/ \$2,000 |
| Coinsurance | 20% | 30% | 30% | 20% | 10% |
| Out of Pocket Maximum (Excluding RX) | \$2,000/ \$4,000 | \$2,500/ \$5,000 | \$5,000/ \$10,000 | \$3,000/ \$6,000 | \$2,000/ \$4,000 |
| HRA | N/A | \$500/\$1,000 | \$500/\$1,000 | \$500/\$1,000 | N/A |
| Primary Care Copay | \$25 | \$25 | \$30 | \$25 | \$25 |
| Specialist Copay | \$25 | \$35 | \$50 | \$40 | \$25 |
| Emergency Room Copay | \$150 | \$150 | \$200 | \$150 | \$150 |
| Hospital Treatment | 20% Coins | Ded+30% Coins | Ded+30% Coins | Ded+20% Coins | Ded+10% Coins |
| Day Surgery Treatment | 20% Coins | Ded+30% Coins | Ded+30% Coins | Ded+20% Coins | Ded+10% Coins |
| Diagnostic Testing | Covered 100% | Ded+30% Coins | Ded+30% Coins | Ded+20% Coins | Ded+10% Coins |
| Prescriptions (30-day supply) | \$5/20/30/50 | \$5/20/30/50 | \$5/20/30/50 | \$5/20/30/50 | \$5/20/30/50 |

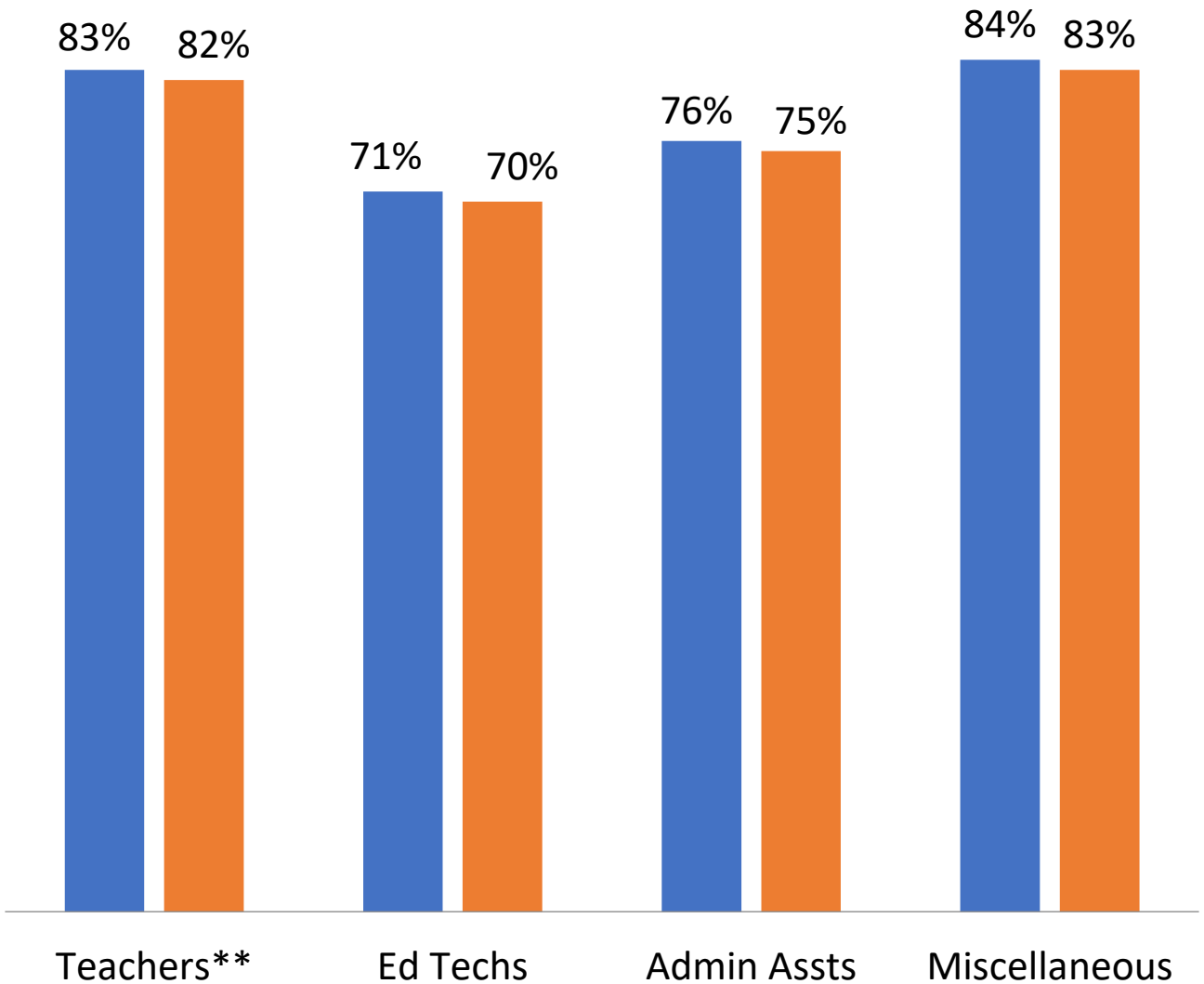
*** PPO plan is available only for subscribers and dependents outside of Harvard Pilgrim's service area**



Current Contribution – As of 7/1/22*

Premium Contribution* by Sanford School Department

■ Single & EE/CH ■ EE/Spouse & Family



*Based upon HMO #2 Premium

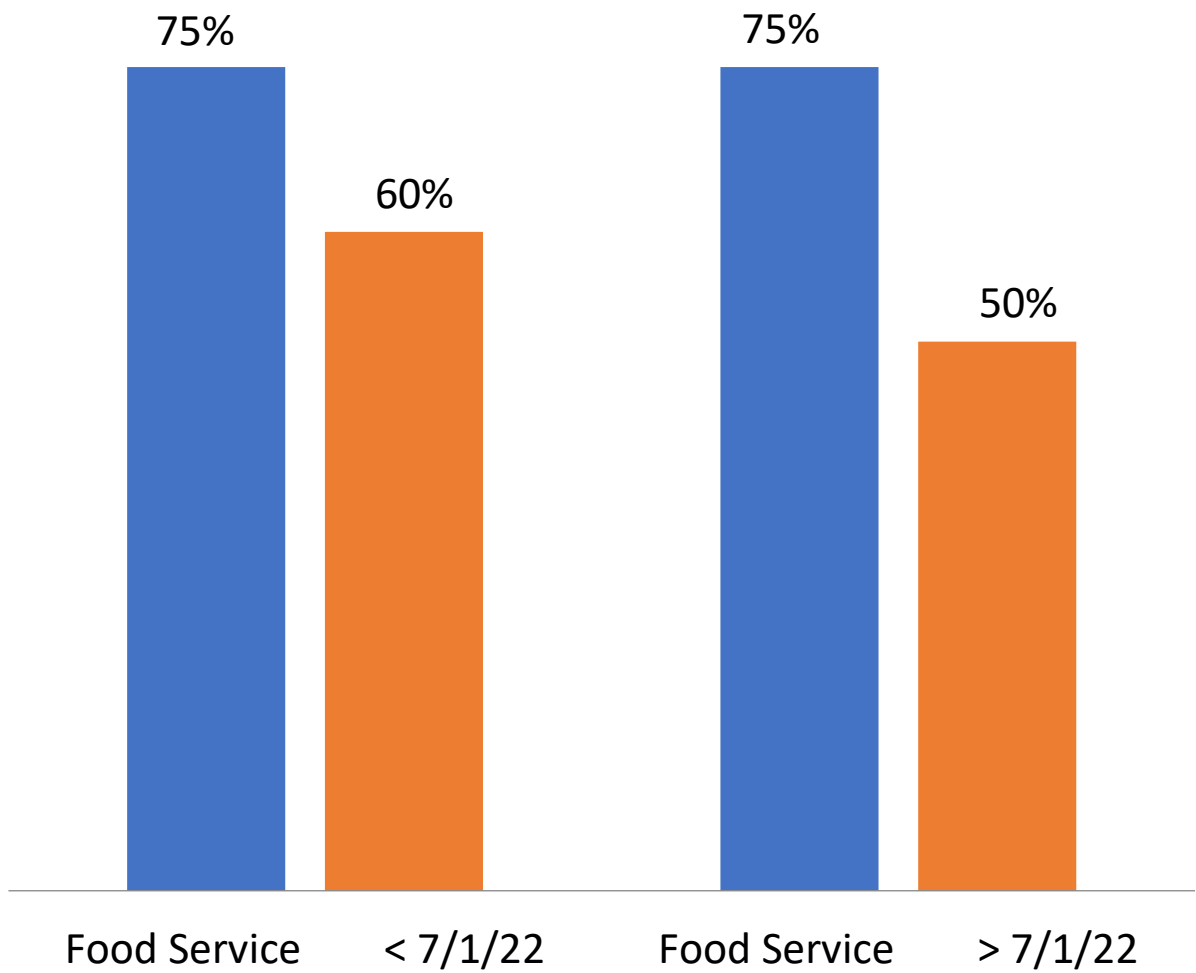
**Teachers as of 9/1/22



Current Contribution* – As of 7/1/22

Premium Contribution* by Sanford School Department – Food Service

■ Single ■ Other



*Based upon HMO #2 Premium



Current Harvard Pilgrim Rates & Contributions

Current Harvard Pilgrim Monthly Premium

| | HMO #2 MD20157 | HMO #3 MD19109 | HMO #4 MD19584 | POS MD18191 | PPO* MD18136 |
|-----------------------|-------------------|-------------------|-------------------|----------------|-----------------|
| Employee | \$1,066.51 | \$932.41 | \$877.21 | \$1,097.29 | \$799.08 |
| Employee + Spouse | \$2,399.67 | \$2,097.95 | \$1,973.75 | \$2,468.91 | \$1,797.97 |
| Employee + Child(ren) | \$1,887.73 | \$1,650.38 | \$1,552.68 | \$1,942.20 | \$1,414.41 |
| Family | \$2,922.25 | \$2,554.83 | \$2,403.58 | \$3,006.58 | \$2,189.53 |

Teacher Semi-Monthly Contribution (Sanford Schools pays 83% of HMO #2 premium for Single/Employee + Child(ren) and 82% for Family/Employee + Spouse)*

| | HMO #2 MD20157 | HMO #3 MD19109 | HMO #4 MD19584 | POS MD18191 | PPO* MD18136 |
|-----------------------|-------------------|-------------------|-------------------|----------------|-----------------|
| Employee | \$90.65 | \$32.63 | \$26.32 | \$120.70 | \$0 |
| Employee + Spouse | \$215.97 | \$83.92 | \$69.08 | \$283.92 | \$0 |
| Employee + Child(ren) | \$160.46 | \$57.76 | \$46.58 | \$213.64 | \$0 |
| Family | \$263.00 | \$102.19 | \$84.13 | \$345.76 | \$0 |

* As of July 2022



Current Harvard Pilgrim Enrollment by Plan*

| <u>ACTIVES</u> | HMO #2 MD20157 | HMO #3 MD1910 9 | HMO #4 MD1958 4 | POS MD18191 | PPO* MD1813 6 | Total |
|---------------------|-------------------|-----------------------|-----------------------|----------------|---------------------|------------|
| Employee | 37 | 112 | 13 | 0 | 0 | 162 |
| Employee & Spouse | 16 | 46 | 2 | 1 | 0 | 65 |
| Employee & Children | 9 | 27 | 0 | 0 | 0 | 36 |
| Family | 36 | 84 | 5 | 2 | 0 | 127 |
| Total | 98 | 269 | 20 | 3 | 0 | 390 |

| <u>RETIREES</u> | HMO #2 MD20157 | HMO #3 MD1910 9 | HMO #4 MD19584 | POS MD1819 1 | PPO* MD1813 6 | Total |
|---------------------|-------------------|-----------------------|-------------------|--------------------|---------------------|-----------|
| Employee | 12 | 3 | 1 | 2 | 1 | 19 |
| Employee & Spouse | 0 | 0 | 0 | 0 | 0 | 0 |
| Employee & Children | 0 | 0 | 0 | 0 | 0 | 0 |
| Family | 0 | 0 | 0 | 0 | 0 | 0 |
| Total | 12 | 3 | 1 | 2 | 1 | 19 |

*Enrollment as of 1/9/23



Health Insurance Renewal History

| Year | Renewal | Increase |
|--------|---|--|
| 7/2017 | Issued Renewal, with 10% adjustment: Marketed plans, with only CIGNA as competitive option Replaced HMO #1 with HMO #3, changed POS plan, & added HRA for HMO #3 and POS plan 0%/3%/78% contingent (no refund) | 15.24% Final: -1.38 to -1.13%; 13.14% for PPO |
| 7/2018 | Issued Renewal, with 7.5% adjustment: 1 st No Market Bid: Final No Market (Placed): | 19.9% 18.9% 15.1% |
| 7/2019 | Issued Renewal, with 10.7% adjustment: No Market Bid (Placed): 0%/3%/78% contingent (refund of \$209,236) | 17.66% 13.5% |
| 7/2020 | Formula Renewal: Issued Renewal (Placed): 0%/4%/80% contingent (no refund) | -5.52% 0% |
| 7/2021 | Formula Renewal: Issued Renewal (Placed): 0%/5%/80% contingent | -5.77% -5.77% ¹⁴ |
| 7/2022 | Formula Renewal: Issued Renewal: No Market Bid (Placed): 0%/5%/80% contingent | 4.64% -1.0% -4.0% |



Underwriting Period Loss Ratio - Medical

| Underwriting Period | Loss Ratio | Premium Increase |
|--|------------|---|
| July 2018 Renewal | | |
| 24 months: Nov 2015-Oct 2017 | 93.4% | Issued: 19.9% Placed: no market bid at 15.1% |
| 12 months: Nov 2016-Oct 2017 | 96.8% | |
| July 2019 Renewal | | |
| Prior 12 months: Dec 2016-Nov 2017 | 99.0% | Issued: 17.66% Placed: no market bid at 13.50% |
| 12 months: Dec 2017-Nov 2018 | 94.3% | |
| July 2020 Renewal | | |
| Prior 12 Months: Dec 2017-Nov 2018 | 93.3% | Formula: -5.52% Issued: 0.00% Placed: 0.00% |
| MR12 Months: Dec 2018-Nov 2019 | 75.7% | |
| July 2021 Renewal | | |
| Prior 12 Months: Nov 2018-Oct 2019 | 78.5% | Formula: -5.77% Issued: -5.77% Placed: -5.77% |
| MR12 Months: Nov 2019-Oct 2020 | 63.6% | |
| July 2022 Renewal | | |
| Prior 12 Months: Nov 2019-Oct 2020 | 63.9% | Formula: 4.64% Issued: -1.00% Placed: -4.00% |
| Most Recent 12 Months: Nov 2020-Oct 2021 | 82.8% | |



Addressing Health Plan Costs



Short Term Strategies

Options for controlling costs

- Aggressively market to other carriers to take advantage of potential acquisition pricing.
- Have employees pay higher portion of premium
 - Increase cost of covering spouses and children in order to drive those dependents to the Marketplace to potentially take advantage of new subsidies resulting from the recent fix to the “family glitch”.
 - Introduce salary-based contributions (higher paid employees pay more towards coverage).
- Increase plan deductibles, coinsurance, and/or copays – passes costs on to those who use the plan.
- Change prescription drug benefit:
 - Move to closed formulary
 - 5 tiered formulary
 - Add deductible and/or coinsurance to upper tier(s)



Longer Term Strategies

Options for controlling costs

- Make spouses who have access to other group health coverage ineligible for Sanford School's health insurance.
- Spouse and dependent audit – make sure only eligible spouses and dependents are enrolled in the plan.
- Increase employee engagement:
 - Provider search and comparison tools – increased access to price transparency for 2023
 - Telemedicine utilization
 - Educate and encourage use of HP's disease and care management programs.
- Expanded incentive-based wellness programs



Health Plan Renewal Discussion



2022 Health Renewal

2022 Health Insurance Renewal

- Although claims experience trended higher, with an 82.8% loss ratio for most recent 12 months, HP issued a renewal of -4%.
- Harvard Pilgrim again offered a 0%/5%/80% contingent premium agreement.
- No changes were made to the plans.
- Sanford Schools has not spent any of HP's \$10,000 in wellness dollars for 2022-2023.



2023 Health Renewal Planning

Health Insurance Renewal Discussion

- Most recent 12 month claims loss ratio is running at 78.9%, which includes 9 claims over the \$125k pooling point (incurred 11/1/2021-10/31/2022).
- The YTD loss ratio since July 2022 is 82.5% (incurred through October 2022).
- The current projection for the July 2023 renewal, assuming a loss ratio of 81% for the next month, and no change in large claims is in the high single digits. HP could adjust the renewal if there are emerging claims not yet reflected in the claim reports.
- We should have the renewal around the 3rd week of February.
- We can ask Harvard Pilgrim for another \$10,000 in “At Work For You” wellness program dollars for the 2023-2024 plan year.
- We recommend reviewing the various programs and offerings through Harvard Pilgrim (or another carrier) once the renewal is finalized.



2023 Health Renewal Planning

Options for Renewal

- The potential for the contingent premium refund for 2021-2022 limits leverage with Harvard Pilgrim to look for other competitive options, since Sanford needs to remain with HP to receive refund.

Otherwise:

- Wait for the HP renewal and determine if a no-market bid will again be pursued.
 - Can then determine if the no-market bid will be accepted or can market the plan to see if a better offer is available.
 - Last marketed plans for 2017 renewal, with Anthem declining to quote, Aetna offering uncompetitive rates, and CIGNA offering a competitive proposal. United Healthcare is another option, who wasn't as active in the Maine market as it is currently.
- Go out to market now and see if competitive proposal is available.
 - If competitive rates are proposed, can use as leverage to reduce HP's renewal.
- We can also potentially negotiate for another contingent premium agreement.
- Is there interest in plan design changes? Is so, to what extent?



2023 Health Renewal Planning

Other considerations

- Retirees
 - The Aetna Group Medicare Advantage plans renewed January 1, 2023 with an increase ranging from .97% to 2.5%.
 - There are currently 62 retirees enrolled on the 3 Aetna plans.
 - These plans should be able to remain with Aetna if Sanford decides to move the active employees from Harvard Pilgrim.
 - There are currently 19 retirees on the Harvard Pilgrim plans, with most under the age of 65. All receive the 55% match from the state of Maine. Harvard Pilgrim administers the billing process by obtaining the 55% contribution from the State and the 45% contribution withheld by MainePERS from the retiree's pension check.
 - Other carriers may not administer this billing process.



Additional Services

Acadia Benefits People Risk Management

Acadia Benefits partners with Mineral (formerly ThinkHR) to provide our customers with additional resources to better manage HR functions. You and your team have unlimited access to Mineral's services including:



LIVE Advisors Available 8 Hours a Day!

Expertise and guidance via email or phone from SPHR and PHR certified advisors. These advisors are available to answer questions and help you resolve challenging HR situations and compliance issues.



LEARN Via Extensive Training Courses

Online library of training courses that adhere to workplace harassment, compliance, safety, professional development, and improve engagement. Courses are available for you, and all of your employees.



Benefits Document Creator

A simplified solution for creation and maintenance of ERISA compliance Wrap, SPD and POP documents.



A Living Handbook

The industry's only wizard-based handbook tool covering all 50 states complete with policy change alerts to ensure your handbook is always up-to-date.



HR Compliance Library, Tools, Forms, and Templates

Thousands of templates, tools, checklists, and policies to make your job easier. Resources include FLSA classification, performance management, salary benchmarking, interactive audits, job description builder, and more.

Mineral™



Acadia Benefits Employee Advocate

Understanding claims, referrals, and making sense of bills can be overwhelming and complicated for your employees and their dependents. Acadia Benefits provides Employee Advocate services to ensure issues are resolved timely, accurately, and seamlessly. Employees and their dependents can contact our Employee Advocate, Sara Closson to help with:

- Claims resolution
- Referral and authorization assistance
- Issues with prescription drug coverage

Having spent her career working in claims resolution for a major insurance carrier, Sara has an excellent understanding of insurance and what is required to "work within the system" to obtain a timely resolution to problems.

We ask that employees and/or dependents contact the carrier at least once to resolve their issues. If assistance is still needed, please contact Sara, whose services are provided at no cost.

Contact Information

Phone: 207.523.0065
Toll-free: 866.761.2426
Fax: 207.761.0976
Email: SClosson@AcadiaBenefits.com

For additional details, please visit
www.AcadiaBenefits.com/Employee-Advocate



Acadia Benefits

Virtual Employee Engagement

Live Group Virtual Presentations

We are happy to schedule time to meet virtually with your employees to present open enrollment information. Carrier representatives are also available to join us to cover specific plan details and answer questions.

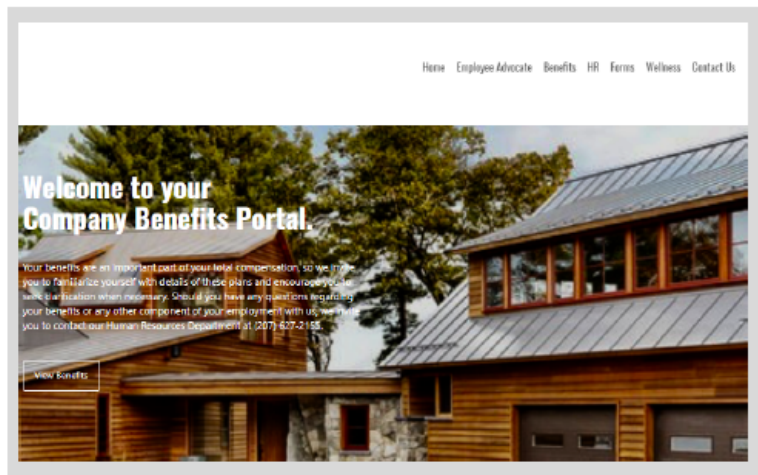
Pre-recorded Open Enrollment Presentations

Our Acadia Benefits team is happy to pre-record Open Enrollment Presentations that can be distributed to employees via email, website or employee portal.

Employee Benefit Center (EBC) Websites

Our Employee Benefit Center (EBC) websites are customized, online employee benefits libraries, designed to organize company benefit information in one place. A place to hold all your HR documents for both onboarding employees and current employees. Employees and their dependents can conveniently access their benefit information 24/7.

Click here to see an EBC demo!



QR (Quick Response) Codes

We can create QR Codes for your materials and custom website links that can be scanned via smart phone or embedded into company websites and print materials.

Take a picture of this QR Code, with your smartphone, to check out this technology!

We have had some customers request we be available for traditional employee engagement events, such as Open Enrollment meetings. Our team is happy to meet in-person, following the CDC's current guidelines to ensure everyone's safety, if your employees are onsite.

We expect the next year will continue to present opportunities for the development and implementation of new and different technologies to support employee engagement. We look forward to these changes and what the future brings.



Appendix: Health Plan Claims Data



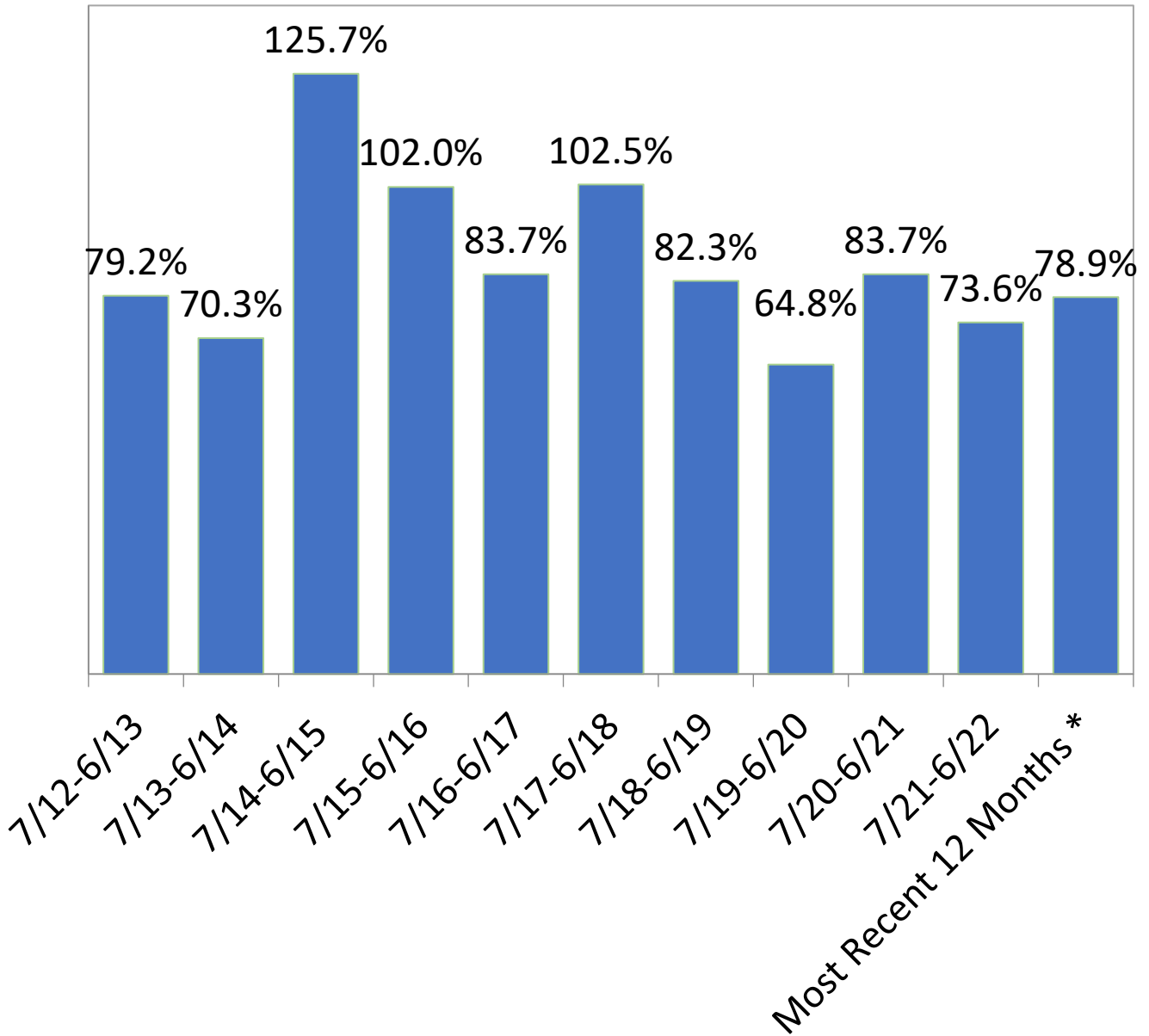
Incurred Claims Loss Ratio

| Plan Year | Premium | Claims | Loss Ratio |
|------------------------|-------------|-------------|------------|
| 7/12-6/13 | \$5,869,487 | \$4,649,794 | 79.2% |
| 7/13-6/14 | \$5,972,092 | \$4,199,637 | 70.3% |
| 7/14-6/15 | \$5,839,171 | \$7,337,229 | 125.7% |
| 7/15-6/16 | \$6,223,967 | \$6,347,886 | 102.0% |
| 7/16-6/17 | \$7,288,176 | \$6,103,468 | 83.7% |
| 7/17-6/18 | \$7,275,554 | \$7,459,041 | 102.5% |
| 7/18-6/19 | \$8,206,303 | \$6,755,591 | 82.3% |
| 7/19-6/20 | \$8,941,732 | \$5,798,355 | 64.8% |
| 7/20-6/21 | \$8,817,767 | \$7,380,447 | 83.7% |
| 7/21-6/22 | \$8,767,438 | \$6,452,682 | 73.6% |
| Most Recent 12 Months* | \$8,777,665 | \$6,923,177 | 78.9% |

* Includes incurred claim data through 9/2022



Claims Loss Ratio History



* Incurred claims through 9/2022



Incurred Claims PMPM*

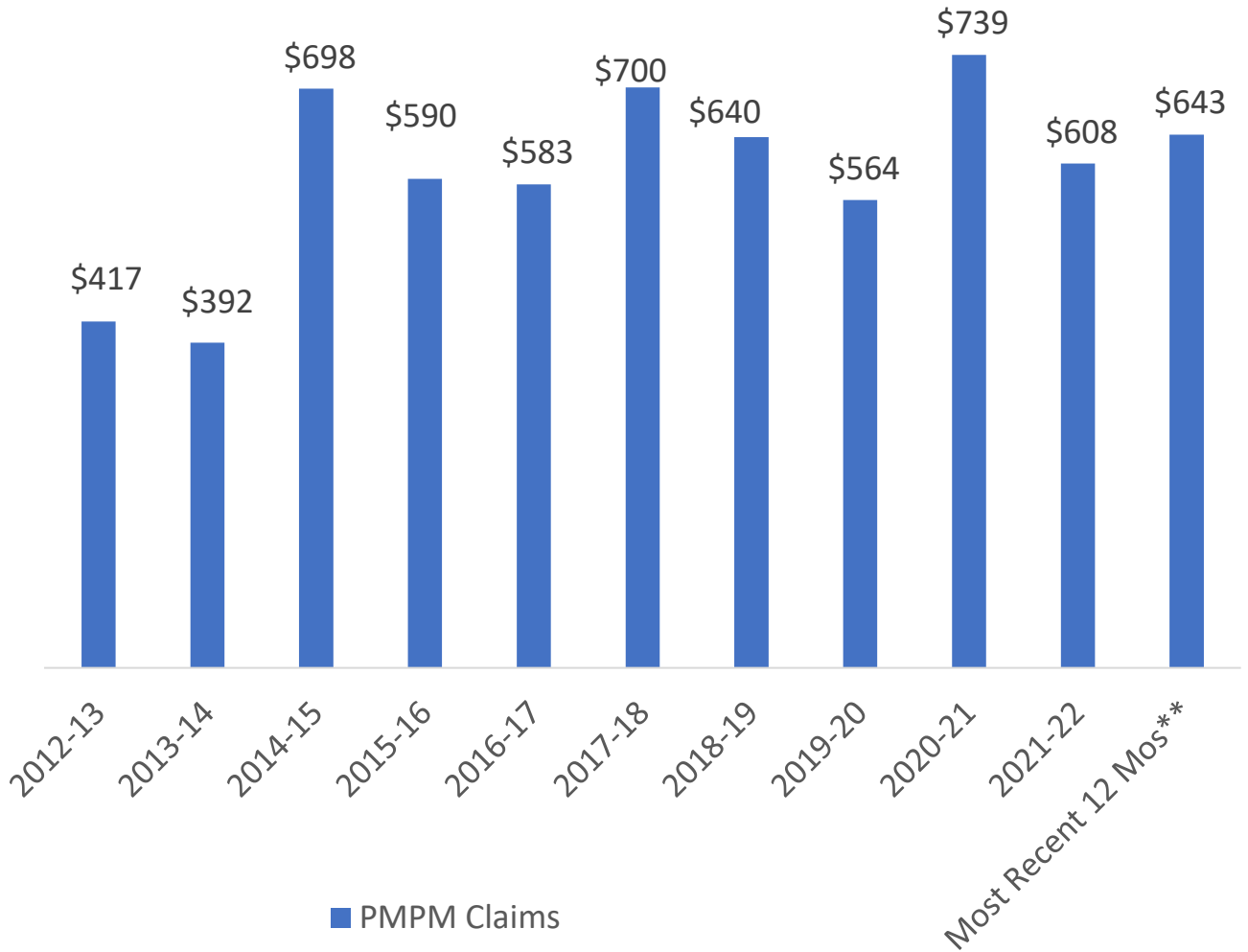
| Plan Year | Total Claims | Avg. Members | PMPM* Claims | HP Maine Norm |
|-------------------------|--------------|--------------|--------------|---------------|
| 7/12-6/13 | \$4,649,794 | 928 | \$417.47 | \$332 |
| 7/13-6/14 | \$4,199,637 | 893 | \$392.09 | \$325 |
| 7/14-6/15 | \$7,337,229 | 876 | \$697.85 | \$339 |
| 7/15-6/16 | \$6,347,886 | 897 | \$589.51 | \$364 |
| 7/16-6/17 | \$6,103,468 | 873 | \$582.61 | \$383 |
| 7/17-6/18 | \$7,459,041 | 887 | \$700.77 | \$398 |
| 7/18-6/19 | \$6,755,591 | 879 | \$640.22 | \$458 |
| 7/19-6/20 | \$5,798,355 | 856 | \$564.43 | \$466 |
| 7/20-6/21 | \$7,380,537 | 832 | \$739.31 | \$507 |
| 7/21-6/22 | \$6,452,682 | 885 | \$607.94 | \$557 |
| Most Recent 12 Months** | \$6,923,177 | 897 | \$643.00 | N/A |

* PMPM: Per Member Per Month.

** Includes claims incurred through 9/2022



Medical PMPM Incurred Claims

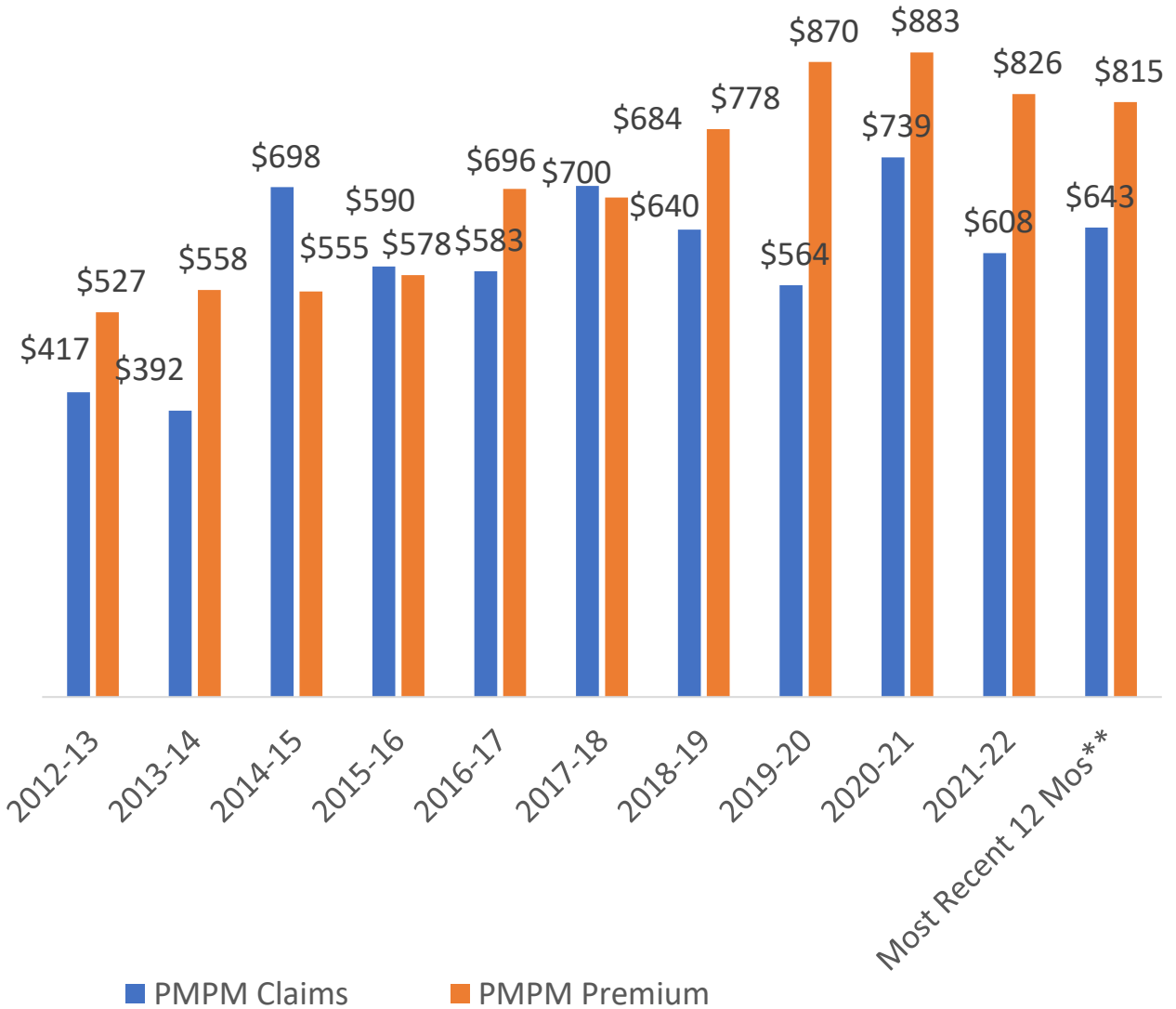


* PMPM: Per Member per Month

** Includes claims incurred through 9/2022



PMPM* Claims vs. Premium History



* PMPM: Per Member per Month

** Includes claims incurred through 9/2022



What we know about Demographics

| | <u>Plan Year 2016</u> | <u>Plan Year 2017</u> | <u>Plan Year 2018</u> | <u>Plan Year 2019</u> | <u>Plan Year 2020</u> | <u>Plan Year 2021</u> | <u>Plan Year 2022</u> | <u>HP ME Norm</u> |
|--------------------------|-------------------------------|-------------------------------|-------------------------------|-------------------------------|-------------------------------|-------------------------------|-------------------------------|---------------------------|
| Subscribers | 395 | 383 | 383 | 384 | 375 | 371 | 400 | |
| Members | 897 | 873 | 887 | 879 | 856 | 832 | 885 | |
| Members/ Subscriber | 2.27 | 2.28 | 2.32 | 2.29 | 2.28 | 2.24 | 2.21 | 1.61 |
| Average Age (Members) | 37.2 | 36.6 | 36.9 | 36.6 | 36.6 | 36.8 | 36.4 | 38.9 |
| Members over age 40 | 49% | 50% | 49% | 47% | 46% | 47% | 47% | |
| Members under age 20 | 23% | 26% | 25% | 25% | 24% | 22% | 25% | |
| Female Members | 57% | 57% | 56% | 56% | 57% | 57% | 57% | 52% |



Large Claims

- **For claims incurred from 10/2020 to 9/2021:**
 - There were 22 large claims over \$50,000 totaling \$3.82 million
 - Of the \$3.82 million, there was one HCC totaling \$1.39 million (Viral-Pneumonia or Covid-19), and 9 total HCC over \$100K.
 - Only 1 of the 22 claims were for a termed employee, the rest were still active.
-
- **For claims incurred for most recent 12 months, 11/2021 to 10/2022:**
 - There are 27 large claims over \$50,000 totaling \$3.23 million.
 - 13 of the 30 claims are over \$100K, with the largest claim totaling \$321K.
 - Three HCC are termed, and the rest are still active.
 - 5 of the top 10 claims are cancer claims, and two are termed.



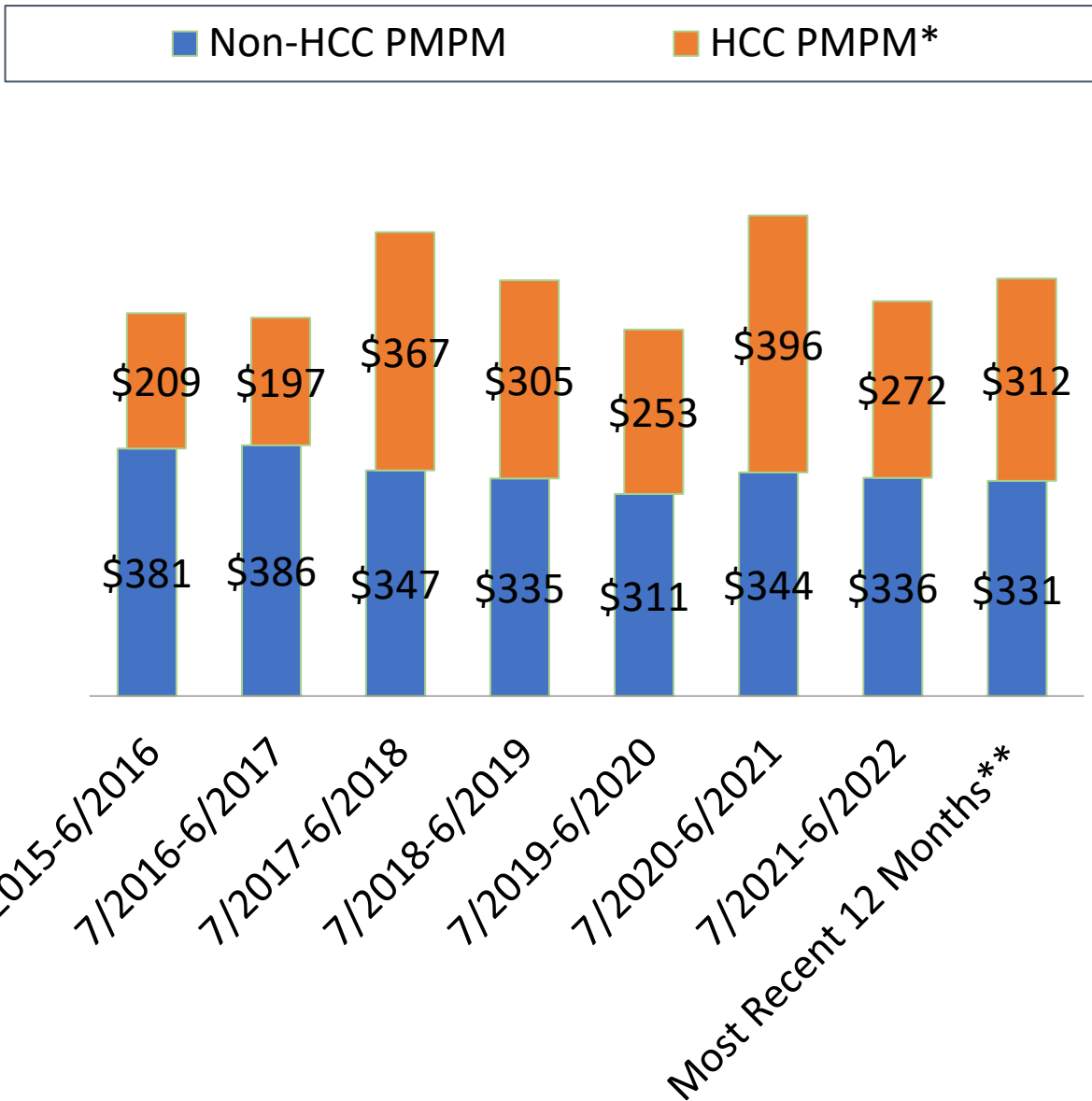
Large Claims History

| | Plan Year 2018 | Plan Year 2019 | Plan Year 2020 | Plan Year 2021 | Plan Year 2022 | Most Recent 12 Months* | HP Norm |
|-----------------------|----------------|----------------|----------------|----------------|----------------|------------------------|---------|
| Large Claims | 29 | 29 | 23 | 23 | 24 | 30 | |
| Large Claims Total | \$3,905,037 | \$3,225,530 | \$2,599,436 | \$3,955,427 | \$2,885,507 | \$3,356,483 | |
| Avg. Large Claims | \$134,656 | \$111,225 | \$113,019 | \$171,975 | \$120,229 | \$111,883 | |
| Large Claims PMPM | \$366.88 | \$305.80 | \$253.06 | \$396.18 | \$271.70 | \$311.82 | \$277 |
| % of Total Claims | 51.4% | 47.7% | 44.8% | 53.5% | 44.7% | 48.5% | 50% |
| Large Claims per 1000 | 32.7 | 33.0 | 26.9 | 27.6 | 27.1 | 33.4 | 26 |

* Includes claims incurred through 9/2022



What We Know About High Cost Claims



* **HCC PMPM:** High Cost Claims Per Member Per Month

** Incurred through 9/2022



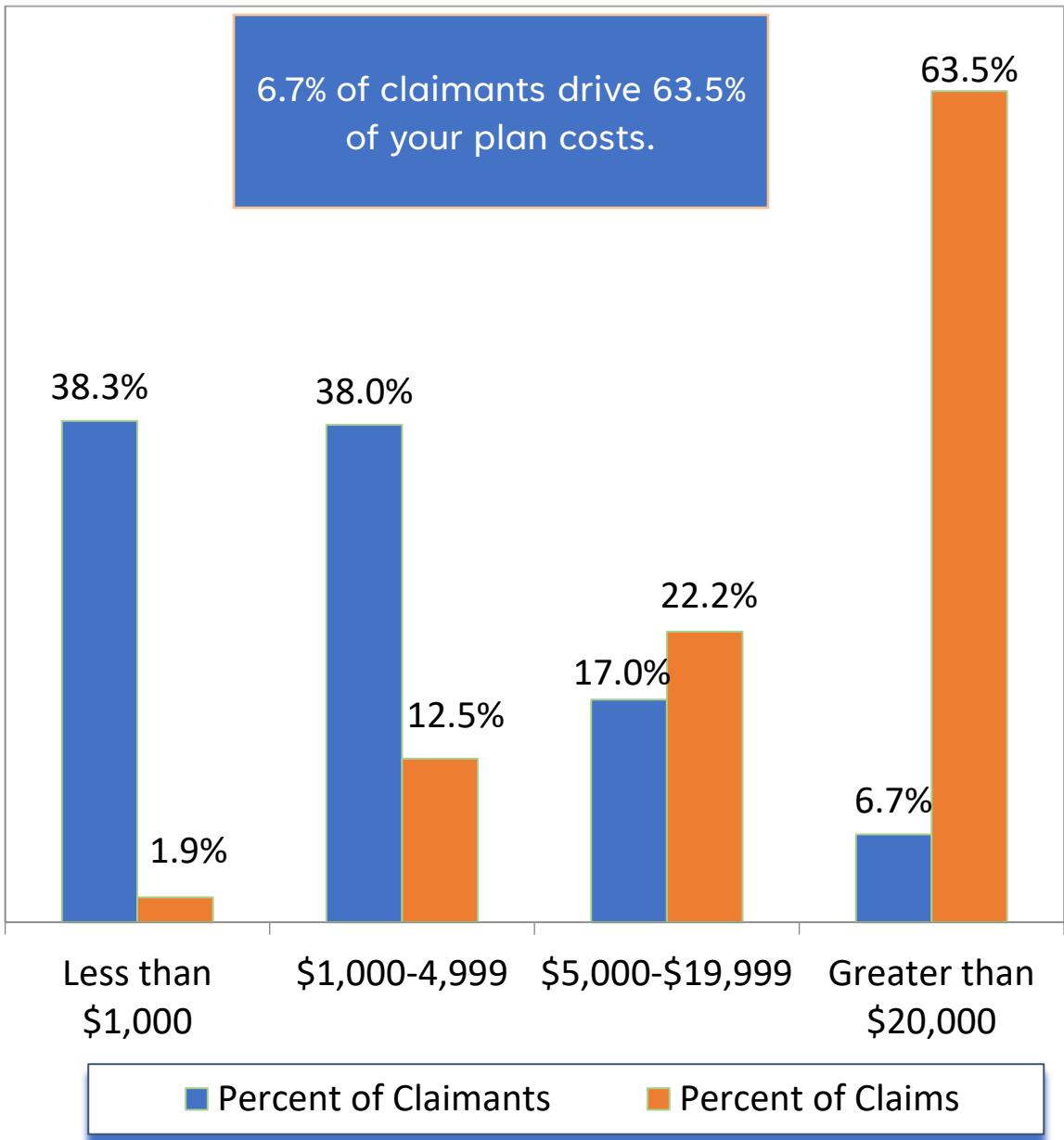
Out of Pocket Expense Distribution*

| Out of Pocket Range | Individual | | Family | |
|---------------------|------------|------------|--------|------------|
| | Count | Percentage | Count | Percentage |
| \$0 | 25 | 11.9% | 10 | 3.9% |
| \$.01 - \$499 | 95 | 45.2% | 47 | 18.3% |
| \$500 - \$1,499 | 57 | 27.1% | 80 | 31.3% |
| \$1,500 - \$4,999 | 33 | 15.7% | 108 | 42.2% |
| \$5,000 - \$8,999 | N/A | N/A | 11 | 4.3% |

* Incurred 7/21 through 6/22 paid thru 11/22



Claims Distribution by Cost Range*



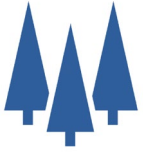
*Based on Incurred Data from 7/2021 to 6/2022



Costs by Member Type*

| Member Type | Average # Of Members | Total Costs PMPM |
|--------------|----------------------|------------------|
| Subscriber | 404 | \$394 |
| Spouse | 189 | \$141 |
| Dependent | 301 | \$87 |
| Total | 894 | \$622 |

*Based on incurred Data for 7/21 – 6/22



Key Utilization Metrics

| Per 1,000 | PY 2017 | PY 2018 | PY 2019 | PY 2020 | PY 2021 | PY 2022 | HP Norm |
|-----------------------------|---------|---------|---------|---------|---------|---------|---------|
| Inpatient Visits | 44.7 | 48.5 | 54.7 | 37.7 | 43.8 | 38.8 | 41 |
| Office Visits for Well Care | 672.2 | 765.3 | 738.9 | 588.7 | 711.8 | 735.0 | 608 |
| Emergency Room | 172.1 | 155.6 | 158.3 | 126.4 | 153.2 | 130.5 | 187 |
| High End Radiology | 308.4 | 329.3 | 333.6 | 278.5 | 331.8 | 341.4 | 310 |



Cost & Utilization Summary*

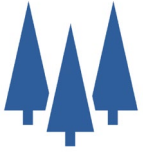
| Category | Current PMPM | % Change Prior | PMPM Benchmark | % Change Benchmark |
|---------------------|--------------|----------------|----------------|--------------------|
| Inpatient | \$80 | -60% | \$114 | +5% |
| Outpatient | \$52 | +28% | \$49 | +9% |
| Professional | \$99 | +4% | \$70 | +2% |
| ER | \$8 | -26% | \$8 | +17% |
| Pharmacy | \$146 | -8% | \$129 | +18% |
| Medical Drugs | \$57 | -1% | \$45 | +8% |
| Ancillary | \$152 | +6% | \$112 | +5% |
| Behavioral Health | \$14 | -27% | \$14 | -8% |
| Other Medical Costs | \$15 | +11% | \$16 | +10% |

*Based on Data from Annual Review - Total Cost & Utilization
Summary 7/1/2021-6/30/2022



Cost & Utilization Summary

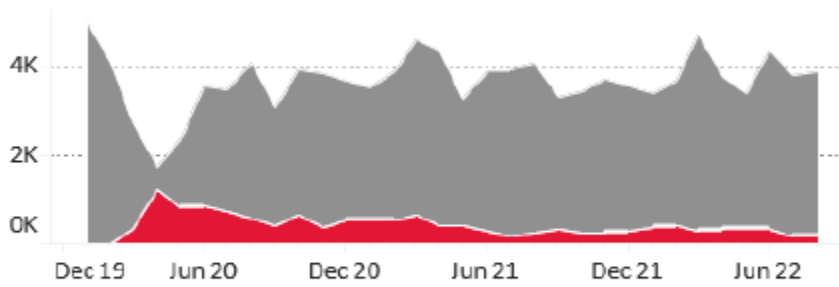
- Total PMPM is higher than Maine benchmark by \$65 PMPM
- Total PMPM decreased by \$116 from the prior period and was 12% higher compared to the benchmark
- High cost claimants contributed \$272 PMPM to the total PMPM, decreased by \$124 from prior, and is 2% below benchmark
- Outpatient PMPM increased 28% from prior and represented 8% of the total costs
- Ancillary PMPM increased 6% from prior, represented 24% of the total costs, and is \$40 PMPM (36%) above benchmark



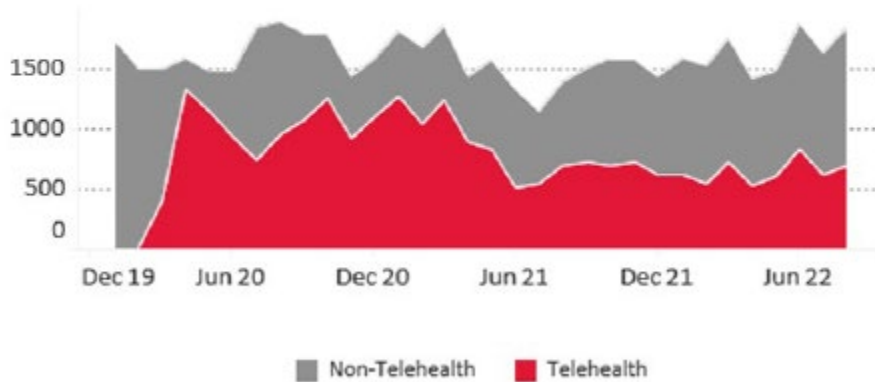
Telemedicine*

| Members | | Volume | | Total PMPM | |
|-----------------|------------|------------------|--------------|--------------|-------------|
| 201 | -54 | 861 | -421 | \$9 | -\$1 |
| Mem/1000 | Bnmk | Vol/1000 | Bnmk | Bnmk | |
| 227 ▼ 79 | 203 | 973 ▼ 568 | 1,006 | \$7.5 | |

Medical Office Visits/1000



Behavioral Health Office Visits/1000



*Based on Data from Annual Review - Telemedicine 7/1/2021-6/30/2022



Top Providers*

Sorted by Claim Cost

| | Total Paid | % Paid |
|-----------------------------|--------------------|-------------|
| Southern Maine Health Care | \$1,165,846 | 23.4% |
| Maine Medical Center | \$900,958 | 18.1% |
| York Hospital | \$522,538 | 10.5% |
| Wentworth-Douglass Hospital | \$276,374 | 5.5% |
| Brigham & Women's Hospital | \$134,827 | 2.7% |
| New England Life Care | \$49,425 | 1.0% |
| Catholic Medical Center | \$45,798 | 0.9% |
| Frisbie Memorial Hospital | \$41,470 | 0.8% |
| Can Ilyas | \$41,401 | 0.8% |
| Nordx Laboratory | \$33,754 | 0.7% |
| All Others | \$1,776,389 | 35.6% |
| Total | \$4,988,780 | 100% |

*Based on incurred Data for 7/21 – 6/22



What We Know About Pharmacy Utilization

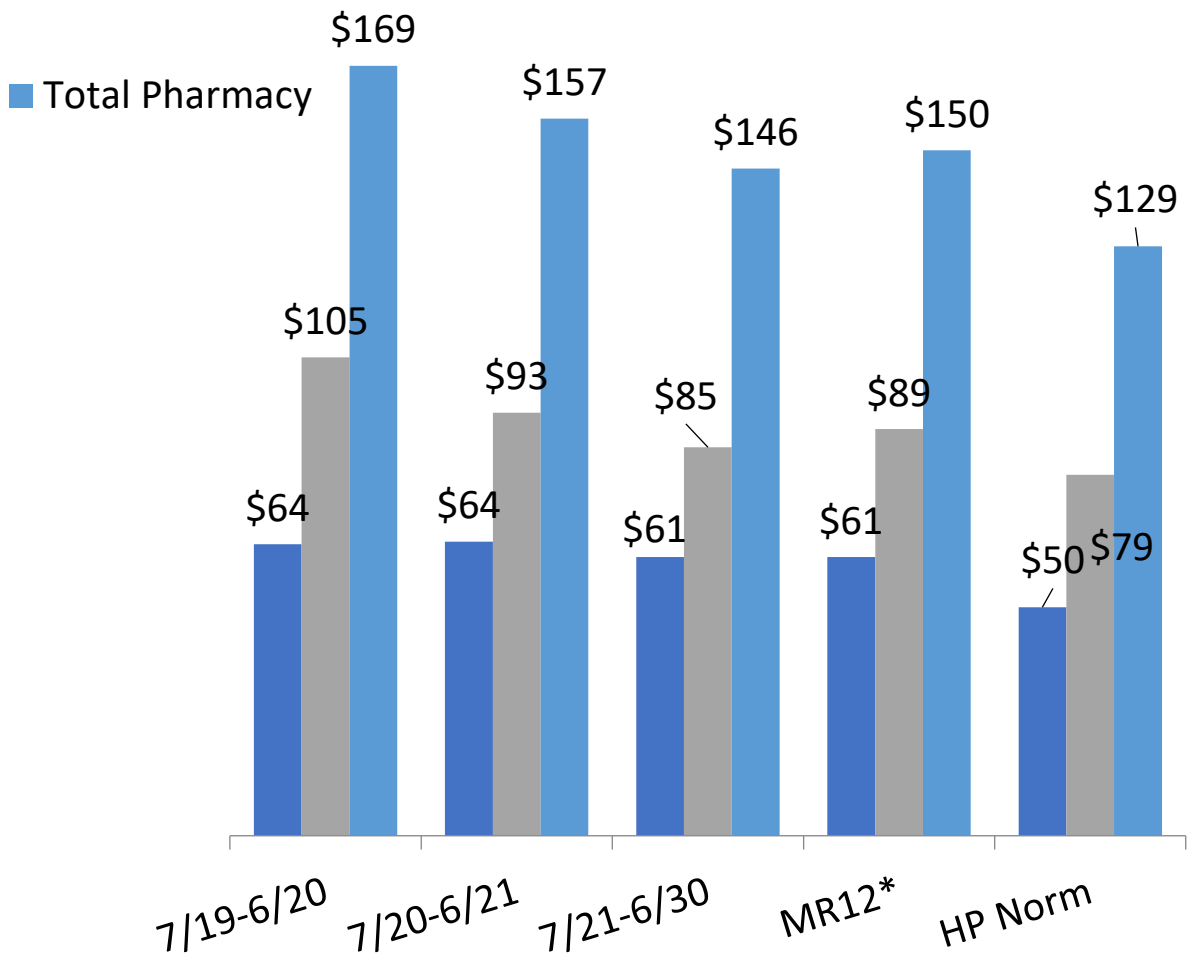
| | PY 2018 | PY 2019 | PY 2020 | PY 2021 | PY 2022 | HP Maine Norm |
|------------------------|----------|----------|----------|----------|----------|---------------|
| PMPM Claims | \$155.83 | \$156.70 | \$163.74 | \$156.93 | \$145.98 | \$119.32 |
| Scripts PMPY | 15.2 | 15.5 | 15.6 | 16.3 | 16.0 | 14.92 |
| Claim Cost per Script | \$122.75 | \$121.07 | \$125.73 | \$115.22 | \$109.58 | \$95.98 |
| Generic Utilization | 86.8% | 74.9% | 74.2% | 72.9% | 75.9% | 76.3% |
| Mail Order Utilization | 2.5% | 1.9% | 2.4% | 3.2% | 4.3% | 2.3% |
| Member Rx Cost Share | 7.9% | 6.4% | 6.0% | 5.8% | 6.4% | 12.3% |



Specialty Pharmacy Utilization - PMPM

■ Non-Specialty Pharmacy

■ Specialty Pharmacy



* Incurred 10/21 through 9/22 paid thru 11/22



What We Know About Cost Share

